

For Immediate Release



**FORTRESS PAPER AGREES TO SELL
DRESDEN MILL FOR €160 MILLION**

VANCOUVER, British Columbia, March 13, 2013 – Fortress Paper Ltd. ("Fortress Paper" or the "Company") (**TSX:FTP**) is pleased to announce that it and its wholly owned subsidiary, Fortress Security Papers AG ("FSP"), have entered into a share purchase agreement (the "Share Purchase Agreement") with Glatfelter Gernsbach GmbH & Co. KG ("Glatfelter Gernsbach") and its parent, P.H. Glatfelter Co. ("Glatfelter"), pursuant to which FSP has agreed to sell all of the shares of its wholly owned subsidiary, Dresden Papier GmbH ("Dresden"), to Glatfelter Gernsbach for an aggregate purchase price of €160,000,000 (CDN\$213 million), subject to working capital adjustment. The transaction is expected to close within the second quarter of 2013, but no later than June 30, 2013, and is subject to certain customary conditions, including governmental anti-trust approvals in Germany and the Ukraine.

Pursuant to the terms of the Share Purchase Agreement, the Company has agreed to guarantee the obligations of FSP and Glatfelter has agreed to guarantee the obligations of Glatfelter Gernsbach thereunder.

Dresden owns and operates the Company's Dresden Mill, a producer of non-woven wallpaper base paper operating in Germany.

Chadwick Wasilenkoff, President and Chief Executive Officer of Fortress Paper, commented "The sale of the Dresden Mill is an important step in Fortress Paper becoming a more focused global leader in the dissolving pulp industry. The transaction was part of our strategic plan to achieve significant liquidity to enhance future growth opportunities. We are very pleased to have been able to reach an agreement with P.H. Glatfelter and look forward to the finalization of the sale. We would also like to acknowledge the contributions of the Dresden management team over the years and wish them every success in the future."

About Fortress Paper

Fortress Paper operates internationally in three distinct business segments: dissolving pulp, specialty papers and security paper products. The Company operates its dissolving pulp business at the Fortress Specialty Cellulose Mill located in Canada, which is also in the process of expanding into the renewable energy generation sector with the construction of a cogeneration facility. The Company is also seeking to expand its dissolving pulp capacity with the recent acquisition of Fortress Global Cellulose Mill located at Lebel-sur-Quévillon, Québec, which the Company intends to convert into a dissolving pulp mill and where the Company intends to re-start the cogeneration facility.

The Company operates its specialty papers business at the Dresden Mill located in Germany, where it is a leading international producer of specialty non-woven wallpaper base products. As of the closing date of the Share Purchase Agreement, the Company will no longer operate in this industry.

The Company operates its security paper products business at the Landqart Mill located in Switzerland, where it produces banknote, passport, visa and other brand protection and security papers, and at its Fortress Optical Facility located in Canada, where it manufactures optically variable thin film material.

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This news release contains certain forward-looking information that reflect the current views and/or expectations of the Company with respect to its expectations, beliefs, assumptions, estimates and forecasts about its business and the industry and markets in which it operates. The reader is cautioned that statements comprising forward-looking information are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. Examples of such forward-looking information that may be contained in this news release include the anticipated timing and closing of the Share Purchase Agreement. Assumptions underlying the Company's expectations regarding forward-looking information contained in this news release include, among others: that the Company will be able to satisfy the closing conditions of the Share Purchase Agreement; and that all required governmental consents and approvals for the Share Purchase Agreement will be granted in a timely manner. Persons reading this news release are cautioned that statements comprising forward-looking information are only predictions, and that the Company's actual future results or performance are subject to certain risks and uncertainties including, without limitation: that the closing conditions related to the transaction will not be satisfied or waived; that required approvals will not be obtained in the anticipated timeframe or at all; and other risk factors listed from time to time in the Company's public filings. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should not place undue reliance on statements comprising forward-looking information, which are qualified in their entirety by this cautionary statement. Fortress Paper does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking information, except as required by applicable securities law.